

Senate File 2291 - Introduced

SENATE FILE 2291

BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO SSB 3136)

A BILL FOR

1 An Act providing an exemption from registration fees for
2 certain new completed motor vehicles purchased by an
3 equipment dealer for modification and resale.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.48, Code 2014, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 3A. A transferee of a new completed motor
4 vehicle shall obtain a certificate of title for the vehicle
5 but is not required to pay the annual registration fee for the
6 vehicle, provided all of the following apply:

7 a. The transferee is an equipment dealer licensed as a motor
8 vehicle dealer under chapter 322.

9 b. The transferee purchases the vehicle at retail for
10 the purpose of modifying the vehicle as provided in section
11 321.105A, subsection 2, paragraph "c", subparagraph (31), prior
12 to selling it as a used vehicle to a business or government
13 entity.

14 c. The transferee operates the vehicle only for purposes
15 incidental to a resale.

16 d. The transferee displays a dealer plate on the vehicle or
17 does not drive the vehicle or permit it to be driven upon the
18 highways.

19 Sec. 2. Section 321.105A, subsection 2, paragraph c, Code
20 2014, is amended by adding the following new subparagraph:

21 NEW SUBPARAGRAPH. (31) (a) A new completed motor vehicle
22 purchased at retail by an equipment dealer who is licensed as a
23 motor vehicle dealer under chapter 322, provided that all of
24 the following apply:

25 (i) The equipment dealer modifies the vehicle as provided
26 in subparagraph division (b), subparagraph subdivision (i) or
27 (ii).

28 (ii) The total value of the work performed and the equipment
29 installed on the vehicle equals or exceeds eighty percent of
30 the purchase price paid for the new vehicle.

31 (iii) Notwithstanding section 322.3, the equipment dealer
32 sells the modified vehicle as a used vehicle to a purchaser
33 that is a business or government entity, and not an individual
34 consumer.

35 (b) For purposes of this subparagraph, "equipment dealer"

1 means a person who does at least one of the following:

2 (i) Rebuilds new completed motor vehicles by fabricating,
3 altering, adding, or replacing essential parts, components,
4 or equipment for the purpose of building an ambulance, rescue
5 vehicle, fire vehicle, or towing or recovery vehicle.

6 (ii) Installs cranes, hook loaders, buckets, aerial
7 ladders, tanks, or special equipment on new completed motor
8 trucks with a gross vehicle weight rating of fourteen thousand
9 five hundred pounds or more.

10 EXPLANATION

11 The inclusion of this explanation does not constitute agreement with
12 the explanation's substance by the members of the general assembly.

13 Under current law, an equipment dealer who rebuilds or
14 installs equipment on new vehicles can be licensed as a
15 wholesaler in order to acquire new vehicles without having
16 to title and register the vehicles or pay the fee for new
17 registration. However, after such a vehicle has been modified,
18 the retail sale of the modified vehicle must be completed
19 through a franchised dealer of the vehicle's line make.

20 This bill establishes an alternative process for an
21 equipment dealer with a motor vehicle dealer's license to
22 acquire a new completed motor vehicle without owing the fee
23 for new registration and, after modifying the vehicle, sell it
24 directly to a business or government entity as a used vehicle.
25 Under the bill, a new completed motor vehicle purchased at
26 retail by an equipment dealer licensed to sell motor vehicles
27 is exempt from the fee for new registration, provided that
28 three requirements are met:

29 1. The equipment dealer either rebuilds the new completed
30 motor vehicle by fabricating, altering, adding, or replacing
31 essential parts, components, or equipment for the purpose
32 of building an ambulance, rescue vehicle, fire vehicle, or
33 towing or recovery vehicle; or installs cranes, hook loaders,
34 buckets, aerial ladders, tanks, or special equipment on the new
35 completed motor truck having a gross vehicle weight rating of

1 fourteen thousand five hundred pounds or more.

2 2. The total value of the work performed and the equipment
3 installed on the vehicle equals or exceeds 80 percent of the
4 purchase price paid for the new vehicle.

5 3. The equipment dealer sells the modified vehicle as a used
6 vehicle to a purchaser that is a business or government entity,
7 and not an individual consumer.

8 Because the equipment dealer's acquisition of a new
9 completed motor vehicle would be through a retail sale, the
10 equipment dealer would be required to obtain a certificate
11 of title and registration for the vehicle under the bill.
12 However, the bill exempts the equipment dealer from annual
13 registration fees, provided that the equipment dealer operates
14 the vehicle only for purposes incidental to a resale and
15 displays a dealer plate on the vehicle or does not drive the
16 vehicle or permit it to be driven upon the highways.